

**MINUTES OF THE LOCAL JURISDICTION MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
May 22, 2002**

The local jurisdiction meeting of the Washington State Transportation Commission was called to order at 9:00 a.m., on May 22, 2002, at Central Washington University in Ellensburg, Washington.

Commissioners present were Chris Marr, Ed Barnes, Aubrey Davis, Elmira Forner, Michèle Maher and Connie Niva.

OPENING REMARKS

Commissioner Marr expressed the Commission's appreciation for the participation of the local officials and community leaders. He explained that the Commission holds monthly meetings in Olympia, but also meets four or five times a year in other parts of the state to interact with local stakeholders. The local area meetings are intended to be informal and interactive. He commented that the meetings outside of the urban areas are very important, because it allows the Commission to deal with rural economic development issues. He pointed out that many of the commissioners are working on economic development policies and programs for transportation, as well as working in their local communities. He informed the participants that the Commission values the input received during the local area meetings.

I-90 PRESENTATION

Don Whitehouse, South Central Region Administrator, welcomed the Commission to Ellensburg. He introduced Todd Trepanier, Assistant Regional Administrator, and Randy Giles, I-90 Project Engineer, as the two individuals who would be presenting information about the I-90 project.

Mr. Trepanier discussed the importance of I-90 to the state's transportation system. He described I-90 as the spinal cord for the state. The project to improve I-90 began as a pavement rehabilitation project. Then, as the Department studied the use of I-90, it realized that the project needed to address freight mobility, tourism travel, and the quality of life along the corridor. Safety issues also were raised, and are being addressed in the plan. The avalanche issue became very clear, because even the planned avalanche control efforts close the freeway. The pavement life issue was raised because the pavement has served its forty-year lifespan, and is failing. The concrete is cracked, and the Department has had to resort to asphalt patches, which don't last very long. The Department has also installed dowel bars to stabilize the pavement, which is expected to last ten years. He pointed out that the pavement has to hold up against snowplows, tire chains and studded tires. The asphalt patching means that the Department is making repairs every summer, which is very disruptive to freight and tourism traffic. It also creates a public perception problem, since travelers wonder why the Department has to

fix the roadway every year, instead of making it right in the first place. Mr. Trepanier also discussed the fact that traffic backs up due to traffic accidents. He pointed out that there is a fifteen-mile section with curves that are too sharp for the speeds traveled. In the past couple of years, there have been more accidents on I-90 than on I-405 or I-5. Part of the problem is that unlike I-405 or I-5, travelers on I-90 have the misperception that they can set the cruise control and travel at one speed through the pass area. Sharp curves, rock slides and avalanches all come up without warning.

Mr. Trepanier stated that I-90 is a major freight route. Travel volumes are substantial year round. Twenty-five percent of the traffic is truck traffic. The route is also a major tourism route. The pass is a major destination for tourism. The route is also a major thoroughfare for people seeking recreation in eastern Washington. Recreation is not just a summer event; the snow parks and the ski resorts are busy every weekend during the winter. In addition, this section of I-90 is a scenic byway, the only section of interstate in the country with that designation.

Mr. Giles discussed the Mountains to Sound Program, which is buying land and arranging for land-swaps with the timber companies to create a visual corridor along I-90 that will remain free from logging and development. The Department is working with the organization and the US Forest Service to create corridors for wildlife to cross the interstate. The difficulty is that the cost of building bridges to create wildlife corridors underneath will be expensive. The Department is looking into using tunnels, especially around the lake. It is also considering reducing the speed limits because of the curves. The Department currently has a variable speed limit program to deal with summer versus winter conditions.

Mr. Giles explained that the funding level included in the new law budget is not sufficient to build the entire project. The Department will determine a baseline project, and phase the construction of the improvements. The best approach might be to take care of the short sections that most directly affect the closures, but not necessarily expand the freeway to six lanes in that location. Replacing the pavement would be included in the first phase, but the Department would come back in several years to accomplish the expansion. Mr. Giles pointed out that the analysis of phasing scenarios was not complete, so better approaches may be found. The referendum currently would provide \$100 million, while the total cost of the project is estimated to be within the range of \$650 million to \$1.1 billion. With \$100 million, the work in the Hyak area could be started.

Mr. Trepanier summarized the project, stating that it is intended to address pavement rehabilitation needs, the re-alignment of the roadway to reduce accidents and congestion, address the need for wildlife corridors and other environmental mitigation, and provide improved recreation access within and through the area. Mr. Trepanier pointed out that the broader scope of the project has also increased the participation of other funding partners.

Mr. Trepanier explained the status of the development of a preferred alternative. The Department divided the project into different segments, and then developed options for each segment. As the evaluation of the different options progresses, the Department will be able to determine the best over-all combination of approaches. Meetings are ongoing with the various stakeholders about the different options. The Department is also conducting a cost estimate validation process, which at this point has provided a cost estimate of \$860 million at a confidence level of 90%. The Department will also study the geology to reduce surprises during the tunneling process.

In response to a question, Mr. Trepanier pointed out that tunnels require maintenance, more so if they are very long and have to have lighting and ventilation systems. The Department will have to have fire suppression systems. Part of the cost of the tunnel maintenance will be offset by a reduction in snow plowing and avalanche control, but not all.

Alan Frackenthall, a resident of Spokane, commented that he has tried to convince people to pay for the improvement using tolls. He has also explored using increased federal funding, and pointed out that I-90 is part of the National Defense Highways System. He pointed out the savings in fuel, and therefore in both cost of fuel and the amount of pollution generated, by having shorter routes through tunnels.

KITTITAS COUNTY DISCUSSION

Commissioner Marr introduced the next session, a roundtable discussion with public officials and representatives of private sectors interests in the Kittitas County area.

Mr. Whitehouse distributed a packet of information, including a map of the Kittitas and Yakima county areas that included information on the projects proposed for funding under the new law budget. He pointed out that for the Kittitas County area, there are truck-climbing lane projects proposed in addition to the major improvement of I-90 over the pass area. The truck-climbing lanes will be advertised for construction bids in the fall if the referendum passes. The projects are fully funded under the new law budget.

Mr. Whitehouse suggested talking first about the impact of I-90 closures and congestion on the businesses in the area, particularly from a freight movement perspective. He pointed out that the Department understands the importance of the transportation system on the economy of the area, but it is difficult to calculate the impact of closures on the businesses, other than lost time for truck drivers. He invited the participants to share their perspective regarding the impact.

Howard Granger, Port of Seattle Representative for Eastern Washington, informed the Commission that the Port of Seattle has had an office in the Inland Northwest since 1955, because about a third of all exports from Puget Sound ports originate in that region. At least 80%, if not as much as 90%, of the inland freight to the ports uses Snoqualmie Pass. The pass is vitally important to the agricultural sectors of eastern Washington, as

well as the ports. Within the pass, the snow shed and avalanche and slide areas are the most critical impediment to freight, because of both planned (preventative maintenance) and unplanned closures. He commented that in today's economy, shippers must make commitments to the businesses receiving the eastern Washington products as to when the products will arrive, because the "just in time" nature of manufacturing means that if a product doesn't arrive on time, factories don't have the materials to stay in operation, and cannot in turn meet their commitments for delivery to their customers. A pass closure can mean that a truck arrives too late at the port for the container to be loaded, and that container may sit a week or more before another ship can take it to its destination. In the meantime, the customer on the other end of the supply chain has no material to work with. Mr. Granger pointed out that over 70% of the agricultural products are exported. Animal feed products such as hay are the largest export product. Delays in shipments due to pass closures affect the food supplies of animals all over Asia.

Mr. Granger discussed the importance of the import-export patterns on the viability of the agricultural sector in Washington. He pointed out that if it weren't for the number of inbound containers heading into the interior of the United States, needing to return to Asia, the cost of exporting Washington agricultural products to Asia would be much higher. Eastern Washington's agricultural sector is much more than the apple industry. The value of grain exports and hay exports is much higher. The state exports 70,000 containers full of hay. Mr. Granger stated that the state must improve and protect the transportation connections for this trade, because the eastern and western Washington economies are very much inter-dependent, and depend on the import-export business.

Max Golladay, Kittitas County Commissioner, stated that there are five firms that prepare containers of hay for export. With the economic difficulties of the apple industry, agriculture is in trouble. It is important to be able to continue to move the product. He expressed his concern over the cost of environmental mitigation in transportation projects, which is impeding the ability to improve the transportation system at a reasonable cost. He suggested that the tax proposals should be divided between the taxes necessary to pay for the transportation improvement, and the taxes necessary to protect or enhance the environment as a result of transportation projects. Then people could choose whether the environmental mitigation should go forward. Mr. Golladay stated that state officials suggest that the area broaden its economic base to include tourism, but he stated that tourism results in people working at McDonalds trying to buy a hamburger at Wendy's. Commissioner Maher asked whether the area is exploring other economic development concepts besides tourism. Representative Holmquist commented that the voters want to know what they are getting for their investment in transportation taxes that are tied directly to economic development. They also want to know the state will use the money efficiently.

Mr. Granger stated that eastern Washington has been in a recession since 1997, ever since the Asian economy ran into trouble. The recession that is facing the central Puget Sound is not a new phenomenon for eastern Washington. Because of the long-term economic problems of eastern Washington, higher taxes are hard to consider.

Commissioner Barnes asked whether, given the volume of traffic on I-90, both tourist and freight traffic, the public would support instituting tolls or other user fees in order to get the people that are using the system to pay more. Mr. Golladay responded that a tax is still a tax. If a truck hauling hay to the ports pays a toll; that cost will be passed on to somebody, most likely the hay producer.

Commissioner Marr pointed out that Kittitas County receives more transportation investment than it pays for in gas tax. He stated that it appears that rural eastern Washington would benefit disproportionately in any statewide gas tax increase. He stated that the question is whether the connection between transportation investment and the economic future of eastern Washington has been made in the minds of the residents in the area. In some ways, the central Puget Sound may be better able to live without understanding that connection, because it has not been in recession as long, and the investment in the area hasn't kept pace with the revenue contribution since the repeal of the Motor Vehicle Excise Tax. Mr. Golladay responded that no matter what, people wonder where the tax revenues went, and how much was spent on an expensive environmental impact statement process.

Bill Hinkle, Kittitas County Commissioner, commented that eastern Washington is perceived as being less intellectual than western Washington in understanding transportation and the importance of investment to the economy. The culture in eastern Washington is, in fact, the same as the culture in western Washington. There is a tremendous distrust of government right now. Elected and appointed officials should give the voters credit for being smarter than it is thought they are. The public wants to know what it is going to get for the tax dollars. The idea that Kittitas County is a "recipient" county doesn't mean a hill of beans to the guy who's trying to run a farm or a trucking company. Residents of Kittitas County have half the average annual salary as residents of King County; it is hard to discuss economic development investment when people are just trying to get along. The local officials in Kittitas County are working hard to make investments and convince voters of their worth, but when it comes to the Interstate; people just want the roads to be open.

Secretary MacDonald commented that the most compelling viewfoils during the I-90 presentation were the pavement cracking and the asphalt overlay. When I-90 starts to break up, it creates a very significant problem. Currently, the Department is addressing it by putting on band-aids. He asked whether residents really like watching the Department come back to resurface each year because it is putting an asphalt overlay on an area in a mountain pass that is going to be dug up each winter. He commented that the approach is bad for the traveler, and is not cost effective. It makes the Department look stupid. The problem is that the Department is "being given a nickel to invest, for a ten-dollar project". The notion that roads will somehow get fixed without heavy lifting by people, who are willing to invest in transportation, is very problematic. Likewise, the notion that somehow the economy will get better as the pavement gets worse, is a big problem. If the state doesn't fix the problem, it just gets worse.

Mr. Granger responded that the agricultural community understands explicitly what transportation costs. It knows that it has to have decent roads, and to pay for them, because agriculture depends on getting its product to market. Secretary MacDonald clarified that he didn't mean that people don't understand the issue, only that they see money being invested and roads getting worse, and don't understand why that is the case.

Ray Owens, Trend West, stated that eastern Washington is dependant on I-90 for the main east-west transportation link. It is headed in the same direction – congestion and declining condition – as the other interstates in the state. He pointed out that as the state develops I-90 into a more usable transportation link, it will find that the use of the freeway will increase as more individuals move into Kittitas County and keep their jobs in King County. The state will need to find an innovative way to fund the improvements, but also should remember that the reason Kittitas County is a “receiver” county is because I-90 goes through the middle of the county even though it is used by the entire state. He suggested the state look at improving the rail system along I-90 as a way to take pressure off I-90. He also commented that the Rosalyn and Cle Elum communities are finding tourism to be a very profitable business that does provide good jobs. The rest of Kittitas County should consider investing in tourism.

Commissioner Forner stated that during her service as a legislator, it bothered her that individuals looked only at the efficiency of the Department and the gas tax rate. She pointed out that the Legislature has increased requirements for the Department without increasing the funding necessary to pay for the added requirements. Further, the Department's budget is only a small portion of the state budget. Transportation only gets 6.7% of the tax dollars collected and spent at the state level. The state has a very narrow stream of revenue for transportation, and is constantly told to be more efficient with that narrow stream. Commissioner Forner commented that the Legislature passes laws that make it impossible for the Department to be more efficient, and further, that it doesn't provide the budget to do things that would make the Department more efficient. She stated that the Legislature should broaden the stream of revenue available for transportation and be willing to invest in transportation projects.

Commissioner Marr stated that the discussion revealed the public perceptions that need to be corrected. He stated that the Commission and Department are moving towards addressing the efficiency issue in terms of implementing better practices. He pointed out that transportation spending did not increase as fast as the general fund spending during the 1990s, and in fact, declined after the Motor Vehicle Excise Tax was eliminated. As spending was first flat, and then declined, the use of the transportation system increased substantially. The extra impact of all that travel has shifted the small amount of remaining transportation dollars into expenditures on preservation, rather than on capacity improvements. Commissioner Marr pointed out that during the 1990s personal income also rose rapidly, while the percentage of income spent on transportation has fallen by 50%. The basic law of economics says you can't have that type of growth in population, jobs and income and not invest it back into production. People want

more, but they don't want to pay for more, they want to pay less. Commissioner Marr commented that at some point, people will have to pay the piper.

Mr. Golladay commented that people do want a lot, but part of the issue is that the public is asking for things that probably double the cost of construction. He stated that the public should be asked whether they really want everything. Ask for a five-cent a gallon transportation tax, and a five-cent a gallon environmental impact tax, and see what people really want.

Mr. Hinkle commented that the key for economic development is preserving the transportation infrastructure, and expanding it in certain areas. Having the mainline systems is the real key to preserving the economy. He stated that the comment earlier about investing in the rail system was a good idea. He commented that there has to be a "Plan B", regarding what the state will do if the referendum fails. He stated that he is concerned that there hasn't been any discussion about an alternative plan.

Commissioner Maher suggested that eastern Washington consider an overall vision for its economy, recognizing that while agriculture is still a very solid base for the economy, there has to be other economic development. She pointed out that while the service sector appears to be expanding, there isn't business coming in that provides family wage jobs. She encouraged the participants to work with transportation and economic development experts, to envision what the area's economy should consist of in twenty to fifty years. Investment in an improved transportation system will promote economic development for the area. She also commented that the agricultural sector should realize that it is operating in a global marketplace at a competitive disadvantage. The current rail system is based on Burlington Northern Santa Fe's preference for having a straight run from Chicago to the Port of Seattle; Washington needs to consider developing its own short line rail system to improve the competitiveness of eastern Washington products.

Mr. Granger commented that eastern Washington has a lot of potential as far as business investment, but has to overcome an unreliable transportation system, such as the I-90 pass being subject to closures. He pointed out that he discusses business location and development with people from all over the state, and from overseas, such as from Asia, and the subject of the pass always comes up. Businesses are interested in locating in Grant County, and Yakima County. Economic development hinges on businesses' ability to communicate with the west side of the Cascades, and part of the communication is transportation. He stated that there would not be significant economic development in eastern Washington until the transportation problem is solved.

Commissioner Davis stated that prior to the repeal of the Motor Vehicle Excise Tax, the balance of revenue and expenditures was fairly even across the state. The urban areas exported to the rural areas of the state, but the amount was nominal. The repeal of the tax upset the balance. The result was that the funding for transportation was reduced, and that people in the urban areas started discussing keeping the gas tax revenue

in the county in which it was generated. He pointed out that during the 2001-2003 biennium, King County is exporting \$250 million to the rest of the state for highway investment. He is hearing people in King County say that if there is not statewide support for transportation investment, then the county should keep that money and spend it on investments within the county. Commissioner Davis stated that a third effect of the repeal is that the transportation investments necessary to keep the state competitive in the global marketplace are not taking place, which will affect the economic vitality of the state. Commissioner Niva added that it would become increasingly difficult to provide a match for federal funds. The congressional delegation is repeatedly warning state officials that federal help will not come without increased state investment. She stated that Washington has some very powerful people in Congress right now, but that advantage is only beneficial if the state is willing to invest on its own.

Representative Holmquist stated that transportation is a priority for the Legislature, and will continue to be so. She commented on the need to be innovative in solutions, and pointed out the Quincy Inter-modal Project as an example of a relatively low cost investment that would produce tremendous benefits. She compared the \$5 million dollars for that project to the \$6 million invested in the I-90 environmental impact statement. Secretary MacDonald pointed out that Referendum 51 is a first step. The state is so far behind, that there are hundreds of projects that are as worthy as the Quincy Inter-modal Project. While the Commission, under current law, is supposed to select the projects to be built, in fact, the Legislature makes the final decisions. He pointed out that Referendum 51 is accompanied by a budget that specifically lists the projects to be built using the additional revenue. He expressed his concern that people expect that Referendum 51 will be “the dawn of a bright new day”; the reality is that many projects still will not be funded. Representative Holmquist asked whether the Quincy Inter-modal Project would be considered for funding by the Commission. Secretary MacDonald stated that the Commission is working on the 2003-2005 budget, considering what to do with the \$75 million worth of projects just recently cut from the current law budget for 2001-2003, and what to invest in considering the growing number of projects as people bring forth new ideas, and considering how much to invest in preservation of the existing system. The Quincy Inter-modal Project will compete with all of the other projects as the Commission considers the current law budget project list.

Commissioner Marr stated that while individuals at the table have mentioned developing a scenario in the event Referendum 51 doesn’t pass, the alternate scenario is actually more dire than suggested. He predicted that if statewide funding is not approved, regions that can afford to make investments would choose to propose and adopt regional funding packages, leaving the state transportation system fragmented.

Dick Keeney, Mayor of Warden, stated that Washington had one of the fastest growing economies in the country, while Grant County had one of the fastest growing economies in the state, during the 1990s. He commented that decisions made by elected officials have jeopardized that economic vitality. He pointed out that when he became mayor 11 years ago, Warden hadn’t built more than three houses in 18 years. In the past

decade, the population has grown from 1635 to 2565, and the town has three processing plants. Those plants are very dependent on the state system to get products to the Port of Seattle. He commented that people who oppose taxes should be asked where they think the jobs are going to come from, if the state doesn't make the investment. As an example, Warden has freight rail service from the Columbia Basin Railroad after years of doing without. The Grain Train has helped the Port of Moses Lake and the surrounding area. He also commented that people on the west side of the state who oppose the pipeline for environmental reasons should remember that it will take 300 tankers off the freeways every day.

Gary Berndt, Mayor of Cle Elum, commented that if the state is headed towards regionalism, people must understand that Cle Elum is well visited by King County residents. I-90 is a statewide issue, not a regional issue. The City of Cle Elum is going to double in size with commuters to King County jobs. The ports also are dependent on I-90 to get goods to and from the central Puget Sound. He expressed the desire to have the state work together to address the issue.

Scott Isherwood, Anderson Hay & Grain, stated that Anderson Hay & Grain has a vested interest in the Department and the statewide transportation system. The company is the largest exporter of hay in the Northwest. The company moves 200 trucks a week to the Port of Seattle, containing 10,000 containers. That amount of shipping represents \$2.5 million in trucking costs alone. The hay industry in Washington competes with Canada, Nevada and California. Transportation is a significant portion of the cost of the hay. A good portion of the hay is shipped to Asia. It is vital to have effective transportation. In Alberta, the hay is loaded on trains to be shipped to the ports. In Ellensburg, the company ships by truck in two round trips per day. If a truck misses a sailing because of congestion or closures on the pass, the value of the hay disappears. Asia is operating on a "just in time" schedule, which leaves no room for road delays. The delay of hay shipments by a week if the boat is missed because of a road closure leaves Asia dairies without feed for the cows. State Route 18 is also a problem, because the company ships out of the Port of Tacoma also. The trucks also sometimes have to pick up containers in Seattle from Tacoma, and experience the congestion on I-5. The Asian market represents about \$100 million for Kittitas County businesses. Mr. Isherwood stated he also worked in Moses Lake, and pointed out that the Genie Corporation relocation was dependent on access to I-90. Pass closures on I-90 also was a major factor in the decision of companies to do business with central Washington firms.

Mr. Granger commented that he agreed with the comments from Mr. Isherwood. Canada is a competitor in all markets, since the country produces the same products as Washington. He stated that Washington has to develop an effective transportation system to provide a competitive edge.

Commissioner Maher asked whether a container yard in Quincy to move goods by rail would work better for the agricultural industry. Mr. Isherwood responded that the company would have to look at the benefit cost ratio. Some products might, but

the industry would need a container pool to ensure a supply. Also, extended hours at container yard would also be useful.

Mr. Owens commented that the problems had been identified, but a scenario to respond to the possible failure of Referendum 51 still should be developed. Regionalism will only divide the state, and both sides of the state should work to create a statewide system. Stampede Pass is a good alternative for passenger rail that would allow more freight traffic on Stevens Pass. The alternative routes for I-90 must be developed, or the reliance on I-90 will result in the same problem as over-dependence on I-5. Even on I-90, alternatives to single occupant vehicles should be developed, as more and more people become commuters from Kittitas County into King County.

Mr. Hinkle stated that whatever the state does if Referendum 51 fails, it has to reflect a common vision of the transportation system, and should not be based on regionalism. It also has to build partnerships, including chambers of commerce, associations, etc. He pointed out that the partnership has to extend beyond government, since the voters don't trust government. He suggested that the Commission should provide a long-term vision so people understand what is needed.

Mr. Golladay stated that taxpayers are confused. They thought the gas tax paid for building roads, not bike paths, or bridges for animals. The type of spending by government has lead to the tax cut initiatives. The state should find a way to let the public decide what to spend the tax revenues on.

Representative Holmquist reiterated that people want to know what they get for their investment, and want state government to be as efficient as possible. She stated that transportation is a legislative priority. She pointed out that the Commission has an Economic Development & Transportation Committee, and stated that she is looking forward to working with the Commission on the topic.

Secretary MacDonald stated that he gave a speech about the fact that the ability to raise the revenues necessary to invest in transportation all comes down to proving to the voters the efficiencies within the Department. He indicated that he would send copies of the speech to participants. He also offered to send his management staff to county commissions and other local meetings to talk about the efficiencies within the Department. He also asked that people be very specific about what inefficiencies they see within the Department, so that the Department has an opportunity to both respond and improve. He discussed a couple of examples of projects underway that are on or under budget, and are on time or ahead of schedule. Secretary MacDonald commented that with regard to the environmental requirements, the public should understand that federal law establishes many of the environmental standards, and all the Department can do is meet those requirements in the most cost effective way. He reminded the participants that many people in the state, in each area of the state, support environmental requirements.

Mr. Berndt stated that the Department is a very good partner to Cle Elum. The Department communicates well regarding closures and construction, and keeps the impact down. He stated that the Commission should also realize the impact of the accidents on the local governments. He pointed out that the fire and emergency medical personnel that respond to accidents on I-90 are from the local governments, and accidents on I-90 represent a large percentage of the demand on fire and EMS services.

Commissioner Forner stated that the Department is able to account for the dollars that are spent. It is the best agency in the state, and transportation helps all of the other sectors of the economy. She stated that there are other transportation-related taxes going to the General Fund that ought to be used for transportation investment.

Commissioner Barnes stated that the Commission is bi-partisan and non-partisan. He expressed his interest in having the legislators likewise leaving their party affiliations behind.

Mr. Whitehouse thanked the participants for coming to the local area meeting.

YAKIMA COUNTY DISCUSSION

Commissioner Marr welcomed the participants and described the purpose and value of the Commission's local area meetings. He also summarized the discussion from the morning with the participants from Kittitas County.

Don Scone, Executive Director, Yakima Valley Conference of Governments, discussed the morning's presentation regarding improvements on I-90 and the importance of the freeway to the Port of Seattle and the agricultural sector. He also stated that the group discussed the projects to be funded by Referendum 51 and the impact if the referendum did not pass. Mr. Scone indicated that he placed a folder of information at each participant's place that covers information about the Yakima Valley and the projects needed.

Mr. Whitehouse briefed the participants regarding the projects in the Yakima County area that would be funded by Referendum 51. The projects include: I-90 Hyak; two truck-climbing lanes on I-90; SR 12 Interchange at Naches; SR 24, otherwise known as the Nob Hill Overpass; and SR 241.

Ron Gamache, Yakima County Commissioner, stated that as a county commissioner, he enjoys an overview of the whole county. The officials in the area are working to support the businesses and individuals who are interested in relocating from the central Puget Sound into the Yakima Valley. They are also working on addressing the congestion within the Yakima Valley. There are bottlenecks at key locations within the area, and the Department and local officials are meeting to identify the projects that are most important to the area.

Commissioner Marr shared with the participants from the Yakima Valley area the viewfoils he shared earlier in the day regarding the growth in the demand on the transportation system compared to the investment made during the past twenty years, and the comparison of the transportation budget to the General Fund budget.

Mr. Whitehouse stated that about six months ago he met with Don Scone to look at how the upper Yakima Valley community could identify the projects that are essential for economic development. They facilitated a discussion by local officials and community leaders to identify the projects and develop an order of priority. Mr. Whitehouse referred to a map of the projects to brief the Commission regarding the initial list of priorities.

Don Scone described the growth in the upper Yakima County area and the projects needed during the next five to ten years to address the growth. The work being done will provide information for the state's transportation plan. He stated that it is important to listen to the public and have the plans reflect the public's desire for improvements. He pointed out that the Washington Transportation Plan does not define projects or prioritize them. The "Transportation Strategy for Economic Vitality" is intended to be a real plan with projects and priorities. He stated that the Referendum 51 list of projects is another plan proposed to the public.

Mr. Whitehouse commented that the Commission and Department are working on the question of how to define and measure economic vitality and the impact of transportation on the economy. It is easier to measure the number of accidents or the amount of congestion.

Mary Place, Mayor of Yakima, thanked Don Whitehouse and Don Scone for sponsoring the economic vitality workshop. She pointed out that the Interstate System was designed to address the security needs of the country. She stated that a similar plan is needed to address economic vitality. The Yakima Valley is currently an agricultural community, but the officials understand that it cannot be the sole economic base. The connection to western Washington is vitally important. The projects being proposed in the Strategy also will help to provide development of industry and commerce within the Valley.

Aubrey Reeves, Mayor of Union Gap, thanked Don Whitehouse and Don Scone for sponsoring the economic vitality workshop. He commented on several of the projects, and stated that the local officials intend to work together to make the projects happen. He stated that some of the projects are funded and some are actually underway. Mr. Whitehouse pointed out that while Referendum 51 will fund some projects, others won't be funded, and will require more work to obtain funding. Ms. Place pointed out that SR 24 is a pilot project for permit streamlining and would be funded under the referendum. There are other projects within the Valley that will open up the area for economic development. She pointed out that because of the hills in the area, there is actually very little land available for economic development, and those areas must be

accessed. The development is intended mostly for industrial development, though some would be for commercial development. Mr. Gamache described how several of the projects would impact the area's economy. Mr. Keeney pointed out that he believes that any investment that helps another area helps his area. SR 24 is a lifeline for the southern portion of Grant County.

Mr. Whitehouse pointed out that the interchange at Union Gap has significant problems, because it is a single direction interchange. If an individual wants to travel north on I-82, from the south park of Union Gap, they have to travel north through the City; they cannot access the northern direction from the lower interchange. Trent Marquis, Wide Hollow Development LLC, stated that the south end interchange is important for creating a beltway around the urban area that will open up the region for economic development. There is an important rock quarry along the route. He commented on how Bend Oregon has been able to develop industry and commerce by attracting people first as tourists so they can see the region. He suggested Yakima needed to use the same strategy. If the south end interchange can be completed, the beltway can also be completed as the next step.

Bob Hall, Yakima Auto Dealers Association, stated that he also participates in the economic development community. He stated that he would like to leave the Commission with a broader picture of the issue of development of the region. The Valley has a strong network of officials and community leaders working together, and has the asset of an excellent transportation network. The central location of Yakima and the weather are also assets. The transportation connection between the Yakima Valley and the central Puget Sound is a critical link, to allow business to be conducted in both directions. He pointed out that Central Washington University and Washington State University are forming a joint venture with Yakima Valley College to provide an educational base for development of the workforce. He further stated that Yakima is not just an agricultural area, but concentrates on premium agricultural products. Yakima competes in the world market on the basis of a premium product. Thirty manufacturers employ sixty or more employees in the agricultural sector. He offered the Yakima Valley as an alternative for businesses that are having problems with the congestion in the central Puget Sound. He informed the Commission that a delegation from Yakima would be meeting with central Puget Sound business leaders to propose ideas regarding investment by them in the Yakima Valley. Mr. Hall stated that the wine industry has been working throughout the Yakima, Tri-Cities and Walla Walla area to develop tourism and create "gateway" cities for the wine country. Destination resorts are also being developed in the area to promote tourism. Commissioner Forner commented that the private sector and public creates plans for economic development, but never identifies the amount of transportation investment needed and the cost as part of that plan, so people's expectations are unrealistic about what can be accomplished. Mr. Hall responded that he is seeing a much more entrepreneurial and realistic philosophy on the part of the young people graduating from high school, and thinks that the next generation will produce leaders that can make things happen.

Commissioner Marr asked for a summary of which projects are currently proposed in the new law budget, and which would have to wait for a future budget. Mr. Whitehouse responded that in the upper Yakima Valley area, the US 12/Old Naches Highway Interchange and the SR 24/I-82 to Keys Road are in Referendum 51. The Valley Mall Interchange and the Union Gap Interchange are not in Referendum 51. Commissioner Marr asked, out of approximately 16 projects identified in the strategy, how many would actually be funded. Secretary MacDonald responded that the documents regarding the strategy imply that all of the projects will be dealt with in the next twenty years. Yet transportation investment in the past twenty years has been flat. The state has a big problem, in that all of the projects being considered around the state add up to far more money than is available in the current law revenues. Secretary MacDonald stated that the projects identified are essential, yet the appetite for projects is growing beyond the ability for the state to satisfy it. Another issue is that as projects are delayed, as they wait for funding, the cost of construction will rise and thus the ultimate cost will be higher than that currently being discussed. He expressed his concern over the reaction of the public when the cost of the projects becomes clear. Mr. Scone indicated that while he appreciates the concern expressed, the Yakima area wants to be ready if and when money does become available.

Ms. Place stated that while she appreciates the issue of creating project lists, the Yakima area has significant congestion problems that can be solved at a relatively low cost compared to the central Puget Sound. She also stated that the highways should contribute to the appearance and functionality of the community, rather than just being a transportation facility. Mr. Gamache stated that the projects are intended to improve access to the areas within the communities that are ready for development.

Commissioner Marr asked about the issue of grade separation between railroads and roads. Ms. Place responded that the community is working with Senator Murray to obtain federal funds to design and build the separations.

Mr. Gamache briefed the Commission regarding the improvements being made to the branch line railroads, particularly those into the Yakama Nation's sawmills. The improvements are increasing access to industries that provide jobs in the community.

Secretary MacDonald asked Mr. Whitehouse to describe the safety issues involved with the projects being described. Mr. Whitehouse stated that the project on SR 12 is a safety project, an at-grade intersection that should be an interchange because of the volume of traffic and the fact that the rest of the facility is a high-speed route. The Nob Hill Overpass is a safety hazard, because cars back up all the way onto the freeway during the peak hours. Drivers on I-82 don't expect the backups, and hit the vehicles that spill over on the freeway. Each of the interchanges is a chokepoint, because they were built years ago for lower traffic volumes. The result is higher accident rates.

Commissioner Maher asked whether developers are investing in the transportation system. Mr. Gamache indicated that the County does ask for developer investment.

Mr. Marquis stated that developers are not only investing in transportation, but often maintain the roads as private roads to increase the flexibility of the developer later on to make further improvements or use the property in a different manner. Mr. Scone informed the Commission that there is no systematic impact fee structure for developers.

Representative Holmquist stated that transportation is, and will remain, a priority for the Legislature. She stated her appreciation for the opportunity to hear from the participants. She invited the Commission and Department to contact her if there is legislation that would help the Department be more efficient; she would be happy to work with the agency. Commissioner Niva pointed out that there have been a number of performance audits of the Department, which have shown that the Department is efficient and becoming more so. Representative Holmquist acknowledged the viewpoint, but suggested that public perception of the lack of accountability and efficiency demands that the Legislature make every possible change to improve efficiency. Commissioner Marr responded that the Commission appreciates attendance of Commission meeting by legislators, and asked Representative Holmquist to encourage other legislators to come to the Commission meetings. Secretary MacDonald commented that the lunch with the maintenance employees was valuable, and it was valuable to have Representative Holmquist able to attend the lunch, as a way to learn more about the program. He stated that over time he wants to be able to assess how the maintenance program can do its work in the best possible way. He has found, though, that the public works directors of all the local government agencies consistently give the Department maintenance employees high marks. He has not heard any indication that there is a problem unit or operation. He stated that officials and members of the public who know of a problem should tell the management team specifically what the problems are; in the meantime what he is hearing is consistently good reports. Commissioner Davis recounted his experience at lunch, in which he talked with two maintenance workers who take care of the Indian John Hill Rest Area. The workers have continually received awards for their work, and are proud of the way the rest area is maintained. They care so much about their work that they routinely compare the conditions of the rest area to private facilities such as restaurants. Commissioner Davis suggested that the Department should have those two workers be speakers at various events to tell their story to the public.

Commissioner Marr introduced Colleen Jollie, the Department's Tribal Liaison. Ms. Jollie stated that she has been working for the Department for eight months, working with 29 tribes. She pointed out that each of the tribes has many offices that are involved with transportation issues. She has found that there are as many as 173 contact points between the tribes and the Department. She pointed out that there are also four tribes in the bordering states that also have interests in Washington.

Virgil Lewis, Council Member of the Yakama Nation, introduced Sam Jim, a tribal council member, who came to listen. Mr. Lewis stated that that Yakama Nation is in favor of the projects that have been discussed for the Yakima Valley. Many of the tribal members live in Yakima and are affected by the congestion and safety issues. Mr. Lewis suggested that the Department and the people in the Yakima area consider what

connections can be made, in terms of transportation and economic development, with Portland. He suggested considering whether improvements should be made to SR 97, and what transportation links should be improved towards the Oregon communities. He stated that the Yakama Nation is moving into the second phase of the sawmill, which will improve the economic opportunities for the Nation. The rail improvements are as important as the highway improvements. Investments are being made to make the grade crossings where the roads and railroads intersect safer. Mr. Lewis reported that the Legends Casino in Toppenish would be opening this summer, with a new auditorium that will hold 3,000 to 4,000 people. The community is also investing in pedestrian improvements in Toppenish around the casino. He stated that the Nation has a 20-year economic development plan, and will cooperate with the other governments to implement the plan. Commissioner Marr asked where the primary safety issues for the tribal roads were. Mr. Lewis clarified that the roads in the Toppenish area are the roads of concern. Commissioner Gamache stated that the County was considering a truck bypass from I-82 to avoid the Toppenish community. Mr. Lewis indicated he had heard about the proposal, but it had not been formally presented to the Tribal Council. Mr. Whitehouse commented that he had an opportunity to meet with the Tribal Council, and learned how many bridges and roads are on the reservation. The Yakama Nation has the same preservation and safety issues as the state. Secretary MacDonald asked how the reservation road system works. Mr. Lewis responded that there are roads that are open to the general public, and roads restricted to members of the tribe or their guests who have permits. Ms. Jollie briefed the Commission regarding two recent tribal conferences, and commented on the importance of communities coming together and working with the tribes. She stated that the tribes recognize the Department's efforts in this area.

Mr. Keeney commended the participants from Yakima County for working together and making sure that the projects will be ready to be built when money becomes available.

Mr. Whitehouse thanked the participants for their participation. He invited the Commission to come meet in Sunnyside next year for a local area meeting.

PUBLIC AND LEGISLATOR COMMENT

Paul Locke expressed his concern that the state does not have enough money to take care of the transportation system, and is not being efficient enough with the money that it has. He also expressed his concern over the new policies of the Washington State Patrol regarding issuing tickets to those violating the speed limit. He expressed his concern regarding the prevailing wage law and how it increases the cost of projects. He also stated that the transit agencies are not paying for the damage buses do to the roads.

Connie Little advised the Commission regarding her activities in support of improvements of the I-90 Snoqualmie Pass. She has been working for a tunnel through the pass since 1996, and is currently producing a video about the project for her local

access television station. She recommended the Commission pursue federal funding for the project, and also consider imposing a small toll to contribute to the transportation projects.

Paul Bennett, Kittitas County Public Works Director, stated that after all the discussion of the problems facing transportation, he felt it was necessary to point out that a lot of good things are happening too. He urged the Department not to change the programs that are working, and to keep the good staff that is doing a good job in the Department. He provided several examples of how the County and Department are working well together to be as efficient as possible, sharing resources when it makes good business sense. He also shared several examples of how the local jurisdictions are doing the same. He asked the Commission to remember that it is all one transportation system; that the people who travel I-90 ultimately depart onto county roads, city streets and even national forest roads.

Dan Olson thanked the Commission for meeting in Ellensburg. He also thanked Don Whitehouse for his work, and complimented the South Central Region staff. He stated that the Yakima Valley has many projects it needs, and is working together to make them happen. He is particularly interested in the proposed interchange on the south side of Union Gap. He also suggested the Commission consider developing an alternate freight route, developing a four lane highway to White Pass, by-passing the urban area.

The Commission meeting adjourned at 4:45 p.m. on May 22, 2002.